

Message Text

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PAGE 01 STOCKH 02959 150949Z
ACTION EB-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-07 EUR-12 NEA-10
ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 EPG-02
DODE-00 FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 PRS-01 /139 W
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FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 1081
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY ANKARA
AMEMBASSY ATHENS
USINT BAGHDAD
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY CARACAS
AMEMBASSY COPENHAGEN
AMEMBASSY DOHA
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY QUITO
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PAGE 02 STOCKH 02959 150949Z

AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON

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USEEC
USOECD

E.O. 11652: N/A
TAGS: ENRG, OPEC, SW
SUBJ: PRESS COMMENTS ON CONCLUSION OF OPEC MEETING

REF: STCOKHOLM 2942

1. BEGIN UNCLASSIFIED: SWEDISH PRESS COMMENTS ON THE CONCLUSION OF THE OPEC MEETING BROUGHT NOTHING REALLY SUBSTANTIAL TO LIGHT APART FROM STATEMENTS BY LIBYAN AND ALGERIAN REPRESENTATIVES REGARDING A PRICE FREEZE. LIBYA'S MINISTER MABROUK WAS QUOTED AS SAYING: "THERE WILL PROBABLY BE A NEW SPLIT IN OPEC IF SAUDI ARABIA MAINTAINS ITS STAND," AND AN ALGERIAN SPOKESMAN REPORTEDLY SAID THERE MUST BE "SOME ADJUSTMENTS" IN PRICES BEFORE END OF YEAR. UNANIMITY ON PRICE QUESTION WOULD NOT, THEREFORE, APPEAR TO BE UNQUALIFIED.

2. MOST COMMENTATORS THOUGHT THE PRINCIPAL NEWS TO COME OUT OF CONFERENCE WAS THE SAUDI WISH FOR A FREEZE AND THE CONCURRENCE OF IRAN IN THIS, TOGETHER WITH THE DESIRE OF THE MINISTERS TO EMPHASIZE OPEC'S AWARENESS OF ITS RESPONSIBILITIES TOWARD THE LIMITED OFFICIAL USE

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PAGE 03 STOCKH 02959 150949Z

WORLD ECONOMY.

3. ASKING WHY IRAN SHOULD NOW HAVE ALIGNED ITSELF TO THE MODERATE SAUDI ATTITUDE ON PRICES, MAJOR SWEDISH DAILY DAGENS NYHETER, IN AN EDITORIAL ON JULY 14, DISCUSSED THE ROLE THE US MIGHT BE PLAYING BEHIND THE SCENES IN THE FOLLOWING WORDS:

"BUT THERE IS A POLITICAL SIDE TO ALL THIS. IRAN HAS TRIED TO UTILIZE THE US INTEREST OF GETTING THE SHAH TO GUARANTEE PEACE AND ORDER IN THE PERSIAN GULF AND NORTH INDIAN OCEAN BY DEMANDING HIGH OIL PRICES AND US MILITARY AND TECHNOLOGICAL ASSISTANCE IN RETURN. LIKE BRAZIL IN LATIN AMERICA, IRAN HAS NOT WANTED TO DO ANYTHING FOR THE US GRATIS.

"BUT IRAN HAS GOT ITSELF INTO DEEP WATER WITH OVERLY LARGE INVESTMENT PROGRAMS. THE US NEGOTIATING POSITION HAS STRENGTHENED. THE SHAH'S POLICY TOWARD THE OPPOSITION IN IRAN DOES NOT CHIME WITH THE NEW US ADMINISTRATION'S DEMANDS FOR RESPECT FOR HUMAN RIGHTS IN THE COUNTRIES WITH WHICH THE US COLLABORATES. IRAN'S INTEREST IN NUCLEAR POWER IS ALSO DISLIKED IN WASHINGTON. IT IS POSSIBLE THAT THE US, WHICH HAD DECIDED ANYWAY TO SUPPORT THE SHAH FOR MILITARY STRATEGIC REASONS, HAS NOW FORCED IRAN TO MAKE

CERTAIN CONCESSIONS."

THE EDITORIAL QUOTED A WASHINGTON POST ARTICLE OF JULY 12 ON THE STRENGTHENED US POSITION IN THE WORLD ECONOMY AND CONCLUDED THAT US HAS "LESS REASON THAN EVER TO FEEL CONCERN ABOUT ITS LEADING ROLE IN THE WORLD ECONOMY OR ABOUT ITS CONTROL OVER THE POLITICAL AND MILITARY SITUATION AROUND THE PERSIAN GULF."

4. SHEIK YAMANI'S TV APPEARANCE WITH JAMSHID AMOUZEGAR (IRAN), VALENTIN HERNANDEZ ACOSTA (VENEZUELA) AND ALI JAIDI (SECRETARIAT) IN WHICH HE INDICATED SAUDI ARABIA'S INTEREST IN A PRICE FREEZE THROUGH 1977 WAS WIDELY NOTED, AND CARRIED IN USA'S WIRELESS FILE JULY 13. WHAT THE WIRELESS FILE AND ANY OTHERS DID NOT SPELL OUT WAS YAMANI'S LINKAGE BETWEEN A PRICE FREEZE AND THE LIMITED OFFICIAL USE

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PAGE 04 STOCKH 02959 150949Z

RESPONSIBILITY OF THE INDUSTRIAL WEST TO SEEK VIGOROUSLY BOTH CONSERVATION MEASURES AND RESEARCH ON ALTERNATE ENERGY SOURCES. (THE EMBASSY IS SEEKING THE TEXT OF THE INTERVIEW, IN WHICH YAMANI AND AMOUZEGAR MAINTAINED A SOLID FRONT OF CONCORD AGAINST SWEDISH JOURNALISTS WHO DID THEIR BEST TO FERRET OUT DIFFERENCES.) AND, AT THE CONCLUSION OF THE CONFERENCE YAMANI IS QUOTED AS SAYING TO THE PRESS "...BUT I HAVE SAID THAT SAUDI ARABIA WANTS UNCHANGED PRICES DURING THE COMING YEAR. PREREQUISITE FOR THIS IS THAT THE WORLD ECONOMY DEVELOPS PEACEFULLY. ALSO NEEDED IS THAT THE WESTERN WORLD SHOWS ITS APPRECIATION OF OUR RESTRAINT. PRESIDENT CARTER HAS DEFINITELY DONE THIS IN HIS PEACE EFFORTS." HE ADDED, "IT IS UNFORTUNATE THAT THE US CONGRESS HAS STILL NOT APPROVED PRESIDENT CARTER'S ENERGY PROGRAM, WHICH INCLUDES LIMITATION OF ENERGY CONSUMPTION..." END UNCLASSIFIED.

5. BEGIN LIMITED OFFICIAL USE. THE SWEDISH MFA OFFICIAL IN THE FOREIGN TRADE DIVISION RESPONSIBLE FOR ENERGY QUESTIONS INFORMED THE EMBASSY THAT AN OPEC SECRETARIAT OFFICIAL HAS MADE CLEAR TO HIM THE CONFEREES' INTENTION TO KEEP THE STOCKHOLM MEETING BRIEF AND HARMONIOUS. DIFFICULT QUESTIONS SUCH AS PRICE DIFFERENTIALS AND SUPPLY QUOTAS WERE RAISED BUT NOT DECISIVELY DISCUSSED BY THE MINISTERS. THEY ARE RESERVED FOR THE CARACAS MEETING IN DECEMBER, ALONG WITH THE QUESTION OF PRICES FOR 1978 AND NEW MEMBERS. END LIMITED OFFICIAL USE. PERRY

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